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Paper Paperboard & Wood Pulp

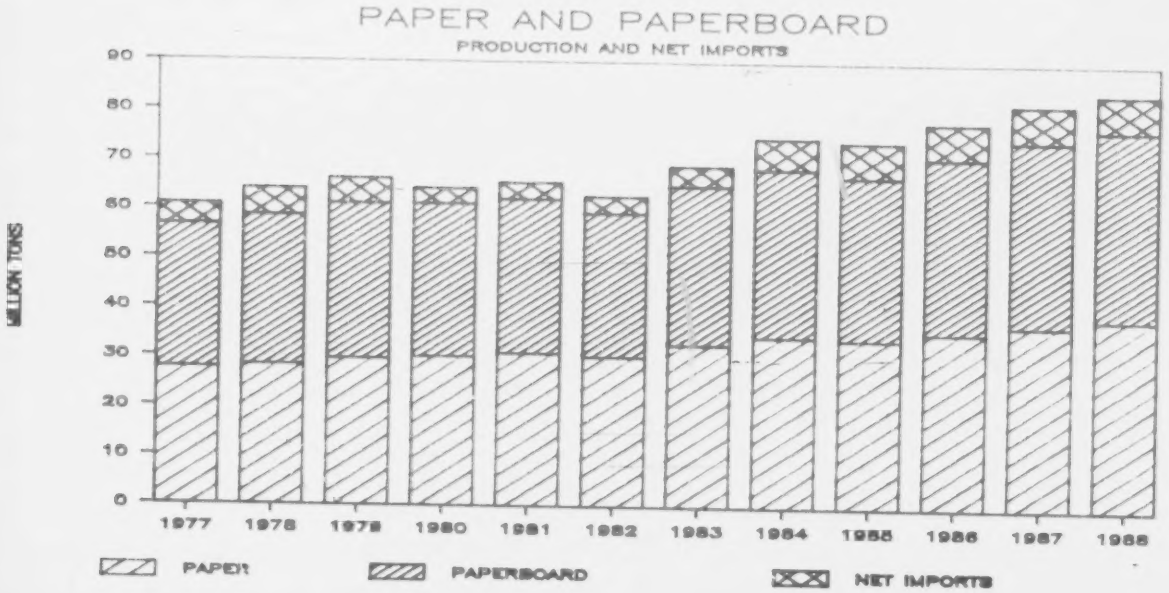
MONTHLY STATISTICAL SUMMARY - Vol. 67 No.1 JANUARY 1989

THE PAPER INDUSTRY IN 1988

Preliminary data indicate that paper and paperboard production in 1988 climbed to a record-high 76,748,000 tons, 3.1% ahead of the 1987 total, marking the third consecutive year that production achieved a new high, and the fifth in the past six years. Market wood pulp production, at 8,467,000 tons, rose 4.4% above its 1987 total. This, too, was the third consecutive year that production achieved a new high, and the fifth in the past six years.

Paper and paperboard production each showed similar six-year growth patterns. However, in 1988 the increase in paper production outpaced that of paperboard. Paper production, at 38,519,000 tons, gained 4.1% over its 1987 total; paperboard production, at 38,230,000 tons, was up by 2.1%.

The stacked bar graph below charts the production of paper, paperboard and net imports (imports less exports) separately, along with the total, which equals new supply, for the period 1977 to 1988. Total paper and paperboard production grew by 35% from 1977 to 1988, averaging 2.8% per year. New supply grew by 38% (3.0% per year), closely matching the 35% gain in the real gross national product.



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Grade details: The major growth sectors, as noted in our earlier reports, were in the printing and writing papers, specialty packaging and special industrial papers (reported as "Other Paper" in the table on page 3) and recycled paperboard.

Among the printing-writing papers, the steepest growth was evident in bleached bristols -- used largely for tags, file folders, index cards and for printing -- uncoated groundwood and coated papers. The markets for groundwood papers, largely catalogs, directories and commercial printing, were particularly strong, as evidenced by the 24% increase in the unfilled order backlog. Imports of uncoated groundwood papers in the first 11 months of 1988 averaged 1.4 million tons per year, 10% above their comparable year-earlier total. These imports accounted for nearly half the 1988 new supply total.

The strength in the coated paper markets can be traced to demand by publishers of magazines and other periodicals, book publishers and commercial printers. Shipments of coated papers amounted to 7.4 million tons, compared to the reported capacity total of 7.8 million tons. Coated paper imports, at 802,000 tons per year for the first 11 months of 1988, accounted for about 10% of the total new supply.

Shipments of the largest printing-writing paper grade, uncoated free sheet papers, amounted to 11.4 million tons, 3.5% above their 1987 total, equivalent to 95% of the reported capacity total. Strongest demand came from book publishers, with demand from the other major markets closer to the average gain for these papers.

The strength in recycled paperboard production reflected gains in boxboard demand, with total production of boxboard for domestic use up 3.3% from its 1987 level. Production of containerboard for domestic use -- largely used in the manufacture of corrugated shipping containers -- rose by 2.2%. Fibre box shipments, at 307 billion sq. ft., were 3.2% above their year-ago total. Inventories of containerboard at mills and plants as of the year-end were equivalent to 6.2 weeks of supply, only slightly above their year-ago level of 5.9 weeks of supply.

CHEMICAL PAPER GRADE MARKET WOOD PULP

Both production and shipments of chemical paper grade market pulp reached all-time highs in 1988. U.S. production of chemical paper grade market pulp advanced 4.2%, to 7.09 million short tons, while shipments rose 2.9% to 7.06 million tons.

Shipments of chemical paper grade market pulp from U.S. producers to the domestic market increased 2.1% last year to 2.9 million tons. By comparison, U.S. shipments to Japan -- reflecting, in part, the strength of the yen -- soared 24.0% to 1.0 million tons, while shipments from the U.S. to Western Europe sagged 0.9% to 1.7 million tons.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

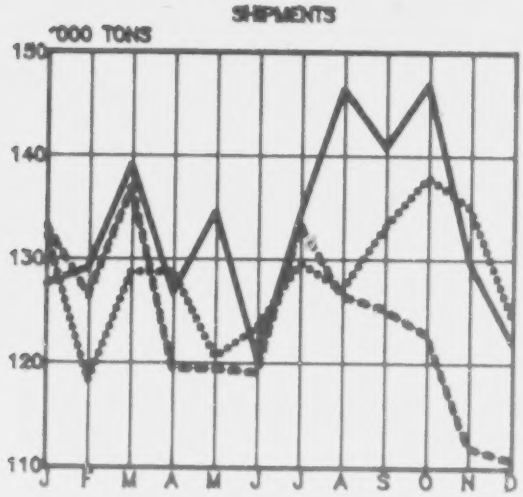
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	SEPTEMBER 1988	OCTOBER 1988 (R)	NOVEMBER 1988 (P)	DECEMBER 1388 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	492	508	493	512	5,982	2.4
- Shipments	5,616	5,854	493	508	502	523	5,969	2.0
Printing & Writing Sum	19,668	20,790	1,829	1,846	1,788	1,794	21,858	5.2
Groundwood Paper - Shipments	1,542	1,485	141	147	130	122	1,598	7.6
- New Orders	1,553	1,529	143	145	113	174	1,627	6.4
-Unfilled Orders	124	164	173	168	145	203	203	23.6
Coated Papers - Shipments	6,263	6,860	606	625	606	583	7,371	7.5
- New Orders	6,314	7,066	584	666	575	580	7,416	5.0
- Unfilled Orders	469	708	729	749	729	734	734	3.7
Unctd Free Sheet - Shipments	10,410	10,977	957	944	922	958	11,356	3.5
- New Orders	10,485	11,184	927	937	880	1,019	11,395	1.9
- Unfilled Orders	587	593	757	745	717	804	804	4.0
Thin Papers - Shipments	271	251	16	21	21	21	229	-8.7
Cotton Fiber Paper - Shipments	152	163	13	18	17	14	163	0.2
Bleached Bristols - Production	1,033	1,044	96	94	97	97	1,141	9.2
Tissue Paper - Production	5,095	5,101	458	476	449	458	5,480	3.4
Total Packaging & Other Paper	5,117	5,472	448	435	439	421	5,198	2.5
Unbl. Kraft Paper - Shipments	3,181	3,079	261	248	254	256	3,037	-1.4
Other Paper - Production	1,814	1,993	188	186	185	165	2,162	8.5
TOTAL PAPER-Production-Unadj.	35,514	36,994	3,219	3,264	3,169	3,177	38,519	4.1
-Production-S.A.			3,212	3,299	3,213	3,195	38,516	3.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,318	28,944	2,417	2,427	2,344	2,494	29,459	1.8
Total Unbl. Kraft Paperboard	17,689	18,913	1,590	1,576	1,508	1,635	19,268	1.9
Unbl. Kraft Linerboard (1)	15,402	17,682	1,481	1,479	1,412	1,526	17,996	1.8
Production for Export	2,246	2,518	185	192	151	212	2,353	1.5
Other Unbl. Kraft Paperboard	1,287	1,232	109	97	97	110	1,272	3.2
Semichemical Paperboard	5,376	5,600	472	472	475	478	5,708	1.9
Production for Export	213	189	11	12	14	10	136	-28.3
Solid Bleached Paperboard	4,222	4,420	355	380	361	381	4,483	1.4
Production for Export	569	619	47	51	48	50	601	-3.0
Recycled Paperboard	8,092	8,586	711	775	714	663	8,771	3.1
Production for Export	78	75	3	2	3	2	60	-20.4
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,419	3,127	3,203	3,058	3,157	38,230	2.1
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,947	1,955	1,906	1,960	23,531	2.2
- Boxboard Prod.(Dom. Use) (2)	5,863	6,326	498	529	505	513	6,228	3.3
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	416	462	429	403	5,322	2.4
- Total Paperbd Prod. for Export	3,097	3,201	247	257	218	274	3,149	-1.6
TOTAL PAPERBOARD PROD.- S.A.			3,182	3,187	3,122	3,129	38,198	2.3
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,433	6,346	6,467	6,227	6,334	76,748	3.1
Production - S.A.			6,394	6,386	6,355	6,324	76,714	3.1

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

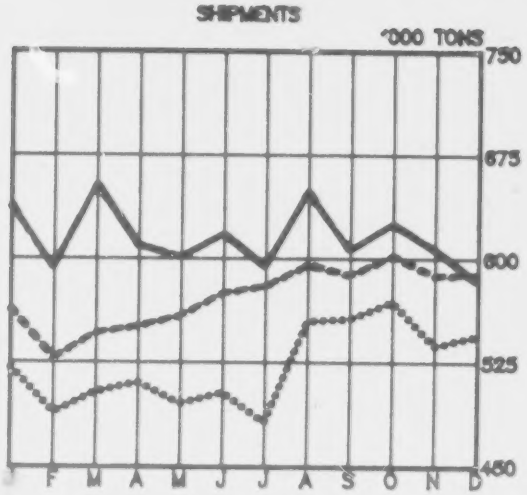
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



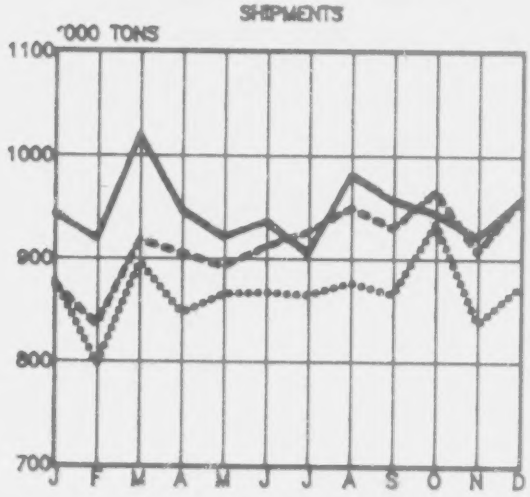
COATED PAPER

SHIPMENTS



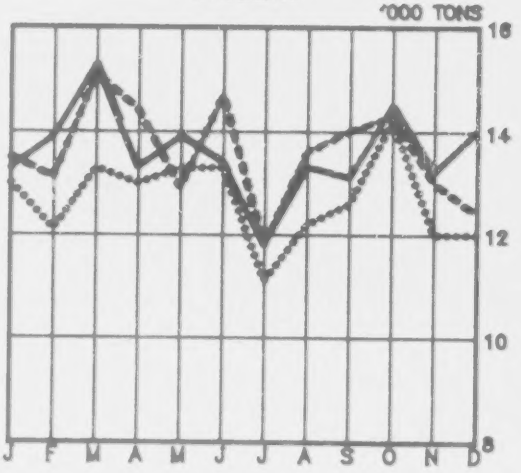
UNCOATED FREE SHEET PAPERS

SHIPMENTS



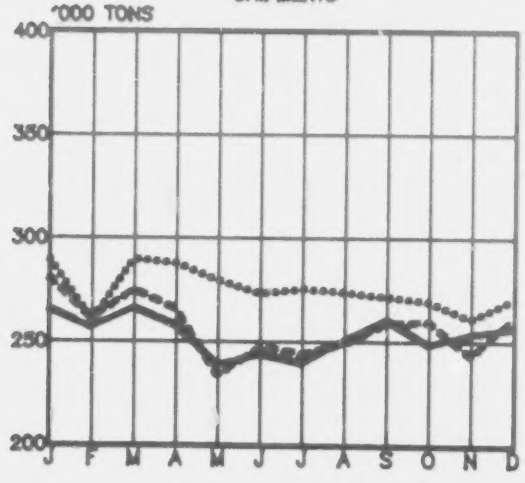
COTTON FIBER PAPER

SHIPMENTS



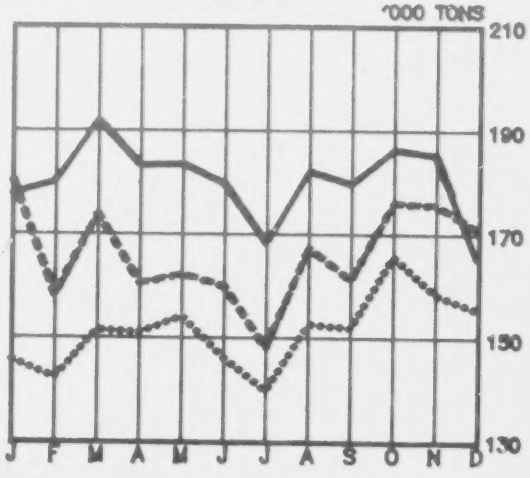
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ••••••• 1987 - - - - - 1988 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1986	YEAR 1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	5,265	5,006	5,078	4,467	60,994	2.8
- Imports	4,582	4,858	460	379	436	425	5,344	4.2
- Exports	4,458	4,899	497	513	421	420	5,486	13.6
- New Supply	57,129	59,513	5,227	4,867	5,093	4,471	60,632	2.0
Dissolving Pulp - Production	1,258	1,312	119	135	99	112	1,353	3.1
- Imports	255	198	24	19	15	31	243	18.1
- Exports	711	752	63	81	74	73	847	14.2
- New Supply	801	757	81	73	40	69	750	-3.5
Paper Grades - Production	46,081	48,293	4,272	4,045	4,180	4,007	49,352	2.7
Chemical Pulp - Imports	4,220	4,456	404	338	374	366	4,423	-8.6
- Exports	3,689	4,111	471	434	344	340	4,510	12.9
- New Supply	46,612	48,637	4,244	3,949	4,138	4,033	49,265	1.5
Groundwood and - Production	5,476	5,702	504	473	513	489	5,954	4.5
Thermo-Mech. - Imports	188	197	12	21	47	29	378	184.9
- Exports	59	26	1	1	4	6	49	188.7
- New Supply	5,525	5,872	532	492	557	511	6,283	7.3
Semi-Chemical - Production	4,191	4,246	371	353	367	359	4,334	1.7
- Imports								
- Exports								
- New Supply	4,191	4,246	371	353	367	359	4,334	1.7
MARKET WOOD PULP								
Total Market - Production	7,572	8,114	755	727	646	684	8,391	4.0
Wood Pulp - Imports	3,222	3,235	329	281	285	289	3,462	7.9
- Exports	4,470	4,820	442	420	380	363	4,865	4.8
- New Supply	6,324	6,529	638	588	551	604	6,988	6.8
Dissolving Pulp - Production	1,251	1,308	119	135	99	112	1,351	1.2
- Imports	212	154	22	18	9	19	201	26.3
- Exports	718	775	63	93	56	62	774	1.2
- New Supply	745	687	77	59	52	69	777	8.4
Paper Grades - Production	6,319	6,806	636	593	547	572	7,040	4.2
Chemical Pulp - Imports	2,831	2,975	294	254	262	267	3,112	5.5
- Exports	3,752	4,045	379	327	324	307	4,091	4.1
- New Supply	5,394	5,736	551	520	485	532	6,061	4.9
Groundwood Pulp - Production	5	0	0	0	0	0	0	0
and All Other - Imports RS	79	106	13	9	15	3	150	47.8
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	85	106	13	9	15	3	150	47.8

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

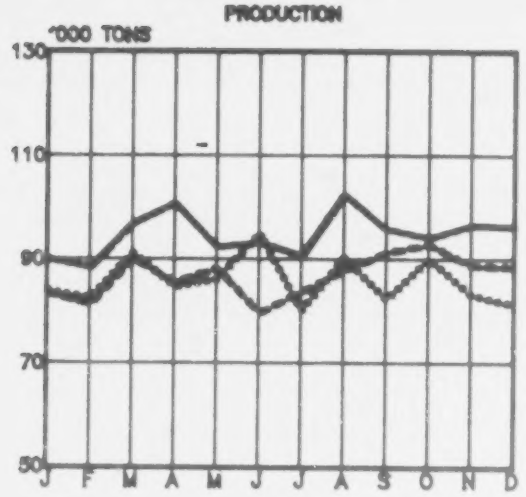
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1986	YEAR 1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,296	77,753	6,862	6,488	6,759	6,525	79,772	2.8
Total Wood Pulp	57,861	59,474	5,236	4,927	5,158	4,956	60,842	2.6
Waste Paper	17,236	18,279	1,626	1,553	1,601	1,569	18,930	3.2
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	198	198	161	170	170	5.2
Producers' Market Inventories	284	224	247	272	275	301	301	3.4
Consumers' Purchased Inventories #	496	529	634	628	583	591	591	18.3
Waste Paper at Paper & Bd. Mills	839	922	971	1,069	1,055	1,059	1,059	24.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	13	14	15	17	17	13.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

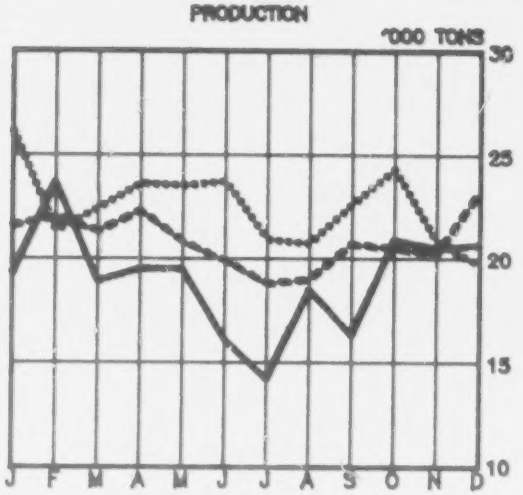
BLEACHED BRISTOLS

PRODUCTION



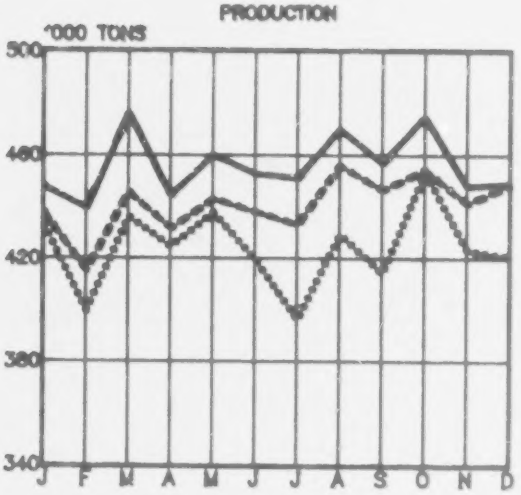
THIN PAPER

PRODUCTION



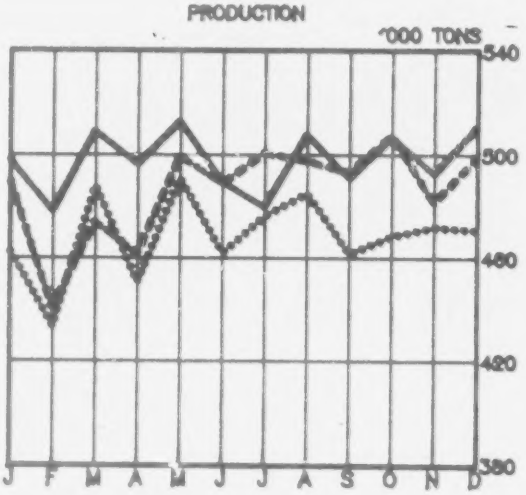
TISSUE PAPER

PRODUCTION



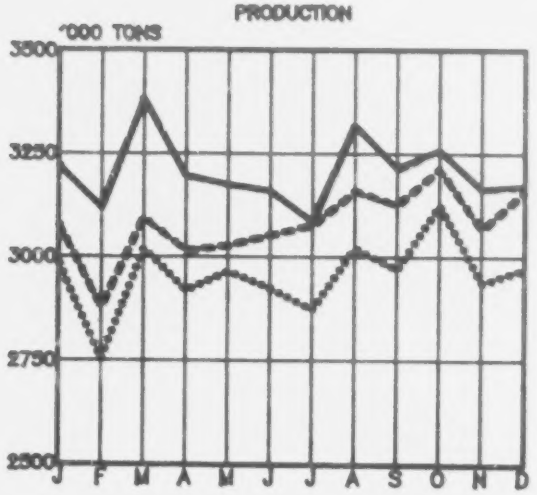
NEWSPRINT

PRODUCTION



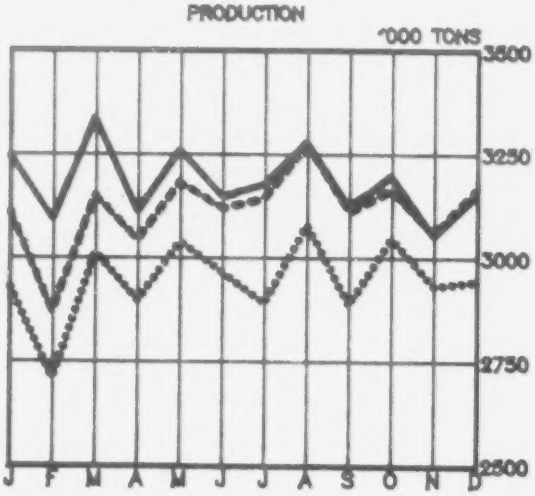
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ••••••• 1987 -•-•-•-1988 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	AUGUST 1988	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	8,007	8,080	8,245	7,889	95,091	1.0
	- Total Consumpt	91,434	93,946	7,951	7,956	7,908	7,887	95,235	1.8
	- Residues *	32,755	32,899	2,769	2,723	2,869	2,770	33,135	0.6
	- Inventories	4,794	5,096	4,325	4,484	4,726	4,790	4,790	-8.1
So. Atlantic	- Total Receipts	29,513	31,147	2,653	2,688	2,731	2,697	31,414	1.1
	- Total Consumpt	29,425	30,915	2,652	2,686	2,650	2,630	31,474	2.2
	- Residues *	9,343	9,553	795	799	983	832	9,831	3.2
	- Inventories	994	1,211	997	1,048	1,134	1,176	1,176	-5.8
Northeast	- Total Receipts	7,277	6,941	623	622	645	578	7,089	2.4
	- Total Consumpt	7,227	7,109	599	549	565	591	7,217	1.1
	- Residues *	1,419	1,543	158	138	139	155	1,651	7.2
	- Inventories	484	594	429	482	507	506	506	-2.2
South Central	- Total Receipts	31,790	33,650	2,835	2,914	2,825	2,824	33,542	0.2
	- Total Consumpt	32,113	33,059	2,789	2,876	2,706	2,760	33,198	1.8
	- Residues *	9,792	9,992	830	816	836	835	9,872	-1.5
	- Inventories	926	1,294	987	1,030	1,147	1,196	1,196	-9.2
North Central	- Total Receipts	6,571	6,552	556	545	563	475	6,426	2.5
	- Total Consumpt	6,710	6,764	565	519	568	573	6,950	2.7
	- Residues *	1,042	1,263	118	116	100	94	1,344	10.9
	- Inventories	892	830	803	825	852	768	768	-5.8
West	- Total Receipts	15,792	16,022	1,340	1,311	1,481	1,315	16,221	3.3
	- Total Consumpt	15,939	16,099	1,346	1,326	1,419	1,333	16,196	3.6
	- Residues *	11,159	10,548	876	854	891	854	10,438	-1.9
	- Inventories	1,498	1,167	1,109	1,099	1,086	1,144	1,144	-13.6

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 23-Jan-89

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	OCTOBER 1988 Tons	OCTOBER 1988 ($000)	NOVEMBER 1988 Tons	NOVEMBER 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From Same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,182	1,736	1,424	187	85	10	40,322	179.3
Pulpwood chips	487,147	15,250	65,490	2,264	72,587	2,244	853,762	86.8
Wood Pulp, Total	4,120,114	1,842,914	390,161	217,226	340,322	213,195	4,345,521	8.5
Waste Fibrous Materials, Total	146,286	36,423	18,875	4,867	15,862	3,411	234,255	27.2
Paper, Board & Products, Total	10,588,847	5,093,903	879,346	486,482	895,721	497,199	10,750,810	1.8
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	864,915	462,600	880,596	473,775	10,599,182	1.8
Paper, Paperboard & Products	10,365,412	5,027,941	856,245	479,713	873,841	490,215	10,526,149	1.1
Paper & Paperboard, Only	10,218,838	4,779,782	841,814	455,830	858,722	467,291	10,374,491	1.1
Paper, Total	9,961,198	4,698,148	817,476	446,462	831,839	456,787	10,102,711	0.9
Newsprint	8,588,389	3,956,147	679,589	358,949	683,960	360,803	8,471,132	-1.9
Printing, Writing & Rel. Pap.	1,111,641	601,979	114,833	73,114	124,087	80,480	1,340,694	20.8
Pack. & Ind. Conv. Paper	215,514	102,986	18,852	10,561	19,085	10,718	236,364	4.5
Special Industrial Paper	5,478	9,844	234	374	716	1,317	4,841	-11.8
Tissue Paper	40,257	27,194	4,049	3,465	4,071	3,370	49,981	27.1
Paperboard, Total	257,639	81,554	24,338	9,368	26,883	10,504	271,780	6.6
Convtd Paper&Paperbd Products	146,575	248,241	14,431	23,882	15,125	23,424	151,648	2.6
Wet Machine Board	2,890	1,977	298	241	223	149	3,050	3.2
Construction Paper & Board	219,744	63,983	22,803	6,528	21,671	6,335	221,641	-1.9

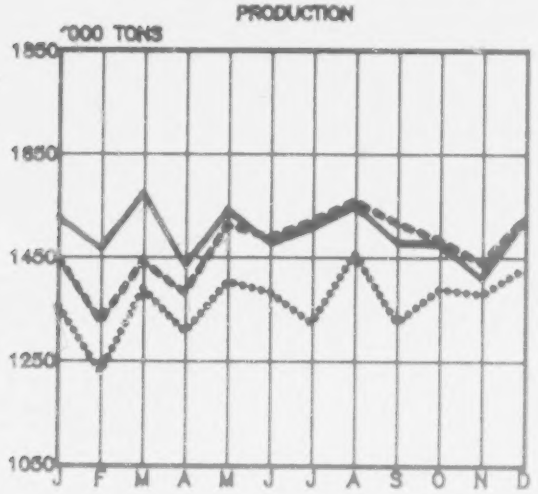
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	898	61	0	0	11,749	1.1
Pulpwood chips	61,575	4,014	864	40	1,383	29	35,634	-45.0
Wood Pulp, Total	138,921	75,956	18,915	8,786	28,526	18,887	277,936	35.1
Cotton Pulp & Other Pulp	58,288	14,775	7,978	2,416	4,828	1,673	77,751	42.3
Waste Paper	286,898	30,592	26,233	3,854	21,297	2,402	329,103	18.1
Paper, Board & Products, Total	957,434	598,429	76,852	57,178	77,093	58,426	1,174,154	22.3
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	57,160	37,208	54,398	36,325	896,250	25.8
Paper, Paperboard & Products	920,755	581,481	72,958	55,689	74,267	56,922	1,137,355	23.3
Paper & Paperboard, Only	675,815	381,308	53,266	35,719	51,572	34,821	859,951	27.3
Paper, Total	297,585	250,807	27,708	24,383	25,813	22,512	344,373	15.7
Newsprint	4,525	3,728	988	850	535	456	5,982	29.0
Printing, Writing & Rel. Pap.	151,716	125,667	13,169	14,095	13,034	12,531	169,791	12.5
Pack. & Ind. Conv. Paper	25,826	17,841	2,928	2,263	3,853	2,912	40,419	58.4
Special Industrial Paper	110,107	97,080	9,946	6,316	7,591	5,998	120,917	8.9
Tissue Paper	5,411	6,490	678	779	801	616	7,264	29.8
Paperboard, Total	378,230	130,501	25,558	11,416	25,759	12,309	515,577	36.5
Convtd Paper&Paperbd Products	244,940	200,173	19,692	19,971	22,695	22,101	277,904	12.4
Wet Machine Board	10,212	4,828	210	105	340	141	6,375	-39.8
Construction Paper & Board	26,467	12,120	3,684	1,384	2,486	1,363	29,925	11.7

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 23-Jan-89

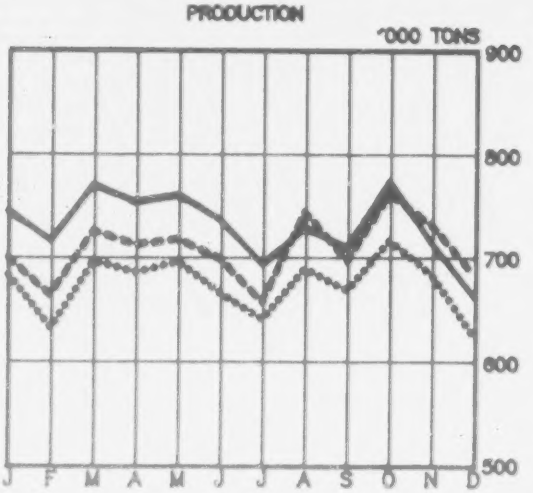
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



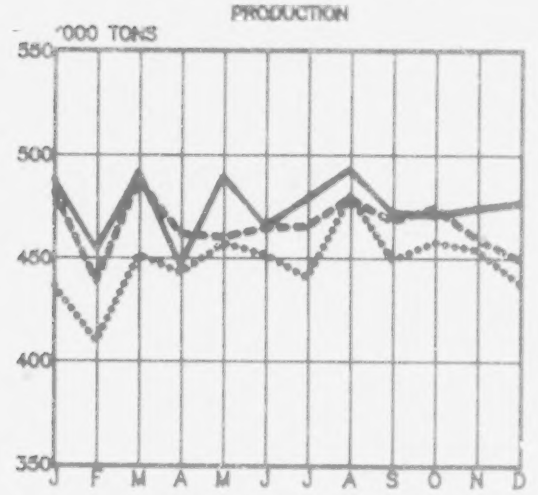
RECYCLED PAPERBOARD

PRODUCTION



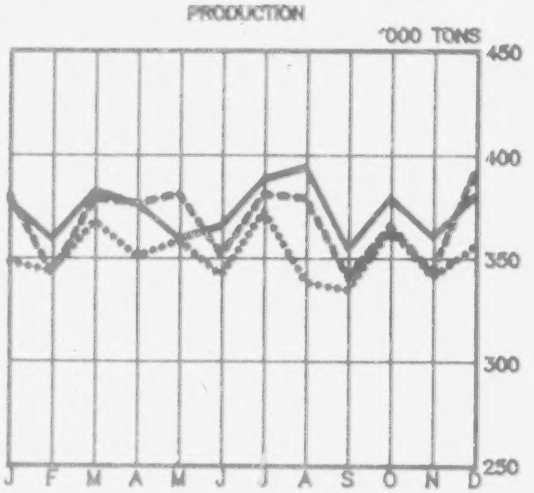
SEMICHEMICAL PAPERBOARD

PRODUCTION



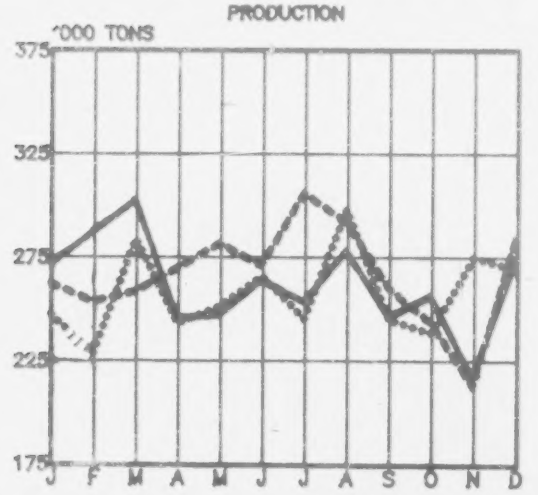
SOLID BLEACHED PAPERBOARD

PRODUCTION



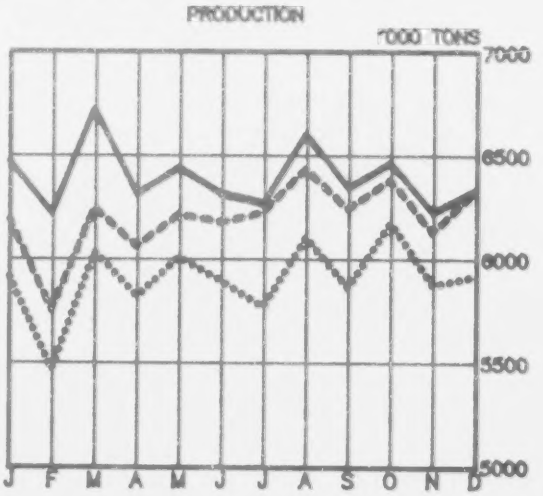
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ••••••• 1987 ▬▬▬ 1988 ——

I M P O R T S

	YEAR 1987 Tons	YEAR 1987 $000	1988 OCTOBER Tons	1988 OCTOBER $000	1988 NOVEMBER Tons	1988 NOVEMBER $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	1,600	111	85	10	40,516	179.6
Pulpwood Chips	525,629	15,476	65,518	2,274	72,882	2,255	866,164	72.9
Total All Imports	17,891,172	9,043,600	1,534,489	421,049	1,526,124	920,373	18,464,821	3.0
Wood Pulp Total	4,850,238	2,069,389	435,547	243,642	425,283	240,830	5,044,327	4.2
Waste Paper	127,398	19,231	12,865	2,160	11,803	1,776	165,075	32.5
Other Fibrous Materials	76,491	27,287	8,913	3,020	7,967	2,718	95,020	22.8
Paper Board & Products Total	12,837,046	6,927,693	1,077,165	672,226	1,081,072	675,049	13,160,389	2.2
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,389	5,995,122	1,014,949	580,727	1,042,191	588,385	12,728,653	2.0
Paper Ppbd & Prds ex Cnst&WMB	12,527,548	6,828,736	1,044,089	661,825	1,047,600	661,304	12,827,808	2.1
Paper & Paperboard Only	12,126,019	5,896,165	1,001,793	578,326	1,008,919	576,640	12,396,078	1.9
Paper Total	11,765,288	5,768,781	970,388	558,084	975,155	563,248	12,048,247	2.1
Newsprint	8,986,548	4,121,327	703,213	369,994	706,871	371,870	8,784,225	-2.7
Printing & Writing	2,410,216	1,412,458	232,989	163,187	234,641	166,231	2,851,558	18.9
Uncoated Groundwood	1,269,774	654,767	116,699	70,299	121,647	60,649	1,484,396	10.5
Coated Print.& Impreg. Pap.	674,531	467,865	59,662	50,171	67,777	56,719	802,534	20.1
Uncoated Free Sheet	417,395	249,943	51,385	38,063	61,981	45,717	582,799	41.9
Uncoated Book	210,674	119,775	19,178	14,236	26,560	19,755	256,038	17.9
Writing and Similar Paper	206,771	130,168	32,207	23,828	35,421	25,962	326,761	68.9
Thin (except Cigarette)	47,567	38,831	5,215	4,551	3,152	3,037	57,289	19.2
Bristols	950	1,852	28	23	84	108	4,519	369.3
Total Pkg & Other Paper	318,324	191,620	29,782	21,886	29,660	21,604	350,237	12.0
Unbleached Kraft Paper	168,420	89,828	12,261	5,960	13,152	6,437	167,395	-2.0
Other Pkg. & Indust. Paper	141,904	101,792	17,441	15,126	16,508	15,167	182,842	28.7
Tissue	58,121	43,299	4,485	3,897	4,184	3,543	62,227	6.8
Paperboard, Total	360,831	127,461	31,405	12,242	33,564	13,392	347,831	-4.0
Test or Containerboard	80,981	29,352	9,439	3,871	9,320	3,820	85,824	7.3
Semi-Chemical Corrugating	128,636	13,898	12,842	4,072	12,402	3,914	147,359	17.9
Other Paperboard	151,214	84,211	9,124	4,299	11,842	5,658	114,648	-27.3
Convtd Paper&Paperbd Products	401,559	932,571	42,216	91,499	38,681	86,664	431,730	6.9
Paper Products, Total	168,179	866,121	38,821	85,591	35,448	80,590	394,487	6.7
Paperboard Products, Total	33,380	66,450	3,395	5,908	3,233	6,074	37,244	9.9
Wet machine Board	3,463	2,638	312	254	301	252	4,287	20.5
Construction Paper & Board	105,385	96,120	12,844	10,148	11,171	11,493	128,294	8.7
Notes								
Other: No Weight Avail. ($000)		201,453		16,993		10,864	180,198	-11.1
Total Imports Incl. Other($000)		9,245,053		438,042		931,237	18,644,684	18.3

E X P O R T S

	YEAR 1987 Tons	YEAR 1987 $000	1988 OCTOBER Tons	1988 OCTOBER $000	1988 NOVEMBER Tons	1988 NOVEMBER $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	16,178	913	1,247	68	0	0	13,092	-4.3
Pulpwood Chips	2,546,467	188,459	338,413	28,912	242,218	19,547	3,367,268	35.8
Total All Exports	14,797,437	6,207,818	1,350,457	603,573	1,393,113	597,922	16,848,689	15.8
Wood Pulp,Total	4,899,331	2,259,377	420,886	232,726	419,774	223,391	5,406,267	13.6
Cotton Pulp and Other Pulp	182,801	91,365	15,738	8,655	16,258	10,281	197,847	11.1
Waste and Old Paper	4,422,139	553,348	476,915	57,206	507,449	58,435	5,581,141	28.6
Paper, Board & Products,Total	5,303,966	3,103,728	436,918	304,986	449,640	305,214	5,664,154	7.4
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,324	371,523	213,062	383,853	216,735	4,851,115	6.6
Paper, Ppbd & Ppbd ex Cnst&WMB	5,136,613	3,044,586	425,587	298,932	439,772	299,662	5,530,785	7.8
Paper & Paperboard, Only	4,471,419	2,221,187	360,213	207,208	373,985	211,182	4,717,745	6.2
Paper, Total	921,397	776,181	98,873	86,667	100,488	85,823	1,090,426	19.4
Newsprint	339,773	210,893	44,892	29,253	48,219	33,377	419,852	24.8
Printing & Writing	249,892	242,639	22,560	27,524	23,819	25,878	283,248	14.7
Uncoated Groundwood	55,941	39,750	4,724	3,967	6,535	5,056	65,922	18.3
Clay Coated Paper	100,839	72,145	7,297	6,471	7,612	5,826	98,899	-0.9
Uncoated Free Sheet	67,858	99,330	7,121	11,290	6,535	10,029	82,922	24.6
Other Printing & Writing	24,554	31,414	3,417	5,796	3,137	4,166	15,584	42.4
Total Pkg. & Other Paper	294,201	292,659	28,847	27,040	26,401	24,762	344,805	19.7
Unbleached Kraft	89,194	48,758	4,826	4,928	10,588	5,805	108,344	25.5
Other Pkg. & Indust. Paper	205,007	251,901	19,821	22,112	15,813	19,757	236,761	15.9
Tissue	38,332	38,790	2,575	2,851	2,849	2,606	43,322	14.6
Paperboard, Total	3,550,021	1,444,926	262,140	120,340	273,497	125,360	3,627,319	2.7
Solid Wood Pulp	3,214,952	1,321,618	242,146	110,358	254,817	116,359	3,347,346	4.5
Totals Linerboard	2,296,633	812,161	153,113	59,135	179,357	69,757	2,263,938	-0.8
Bleached Kraft Linerboard	102,266	46,429	9,692	5,001	11,288	5,805	138,594	39.5
Unbleached Kraft Linerbd	2,194,367	765,731	143,421	54,134	168,070	63,952	2,133,336	-2.6
Other Unbleached Kraft	210,566	78,596	21,829	7,377	9,993	5,250	305,011	42.3
Other Bleached Kraft	647,803	407,923	66,239	43,292	61,218	39,333	736,489	15.3
Semi-Chemical Corrugating	63,951	22,938	1,165	554	4,250	2,018	41,996	-16.4
Recycled Paperboard	331,069	123,308	19,794	9,983	18,680	9,001	278,973	-14.8
Convtd Paper&Paperbd Products	725,196	823,399	65,295	91,924	65,787	88,479	813,039	12.5
Paper Products, Total	301,232	540,681	32,346	61,030	31,190	57,196	366,077	22.7
Paperboard Products, Total	423,994	282,718	32,948	30,894	34,597	31,283	446,962	5.3
Wet Machine Board	17,128	7,816	906	404	836	352	11,752	-14.5
Construction Paper & Board E	98,024	51,405	10,504	5,650	9,032	5,200	121,618	34.8
Notes								
Other: No Weight Avail. ($000)		8,037		757		867	9,169	14.2
Total Exports Incl. Other($000)		6,815,855		684,331		598,789	7,384,799	25.0

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	SEPTEMBER 1988	OCTOBER 1988	NOVEMBER 1988	DECEMBER 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	127.6	128.2	128.2	128.5	124.8	9.2
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	126.6	127.3	127.5	128.0	123.8	9.4
Total Wood Pulp	94.7	111.5	142.3	145.2	145.2	145.2	136.8	22.7
Total Paper	107.0	111.5	125.4	127.0	127.5	127.7	123.2	10.5
Total Paper, exc. Newsprint	107.9	110.6	126.1	128.6	128.6	128.7	123.3	11.6
Newsprint	101.3	112.3	127.3	127.3	127.1	126.2	127.5	13.5
Total Paperboard	106.5	118.1	136.3	136.5	136.5	136.5	133.2	12.8
Total Paper and Paperboard *	106.8	113.6	128.8	130.0	130.3	130.5	126.3	11.2
Converted Products	109.4	114.7	125.8	126.1	126.1	127.1	123.0	7.2
Waste Paper	142.6	181.4	185.5	179.2	168.8	158.9	183.7	1.2
All Commodities	100.2	102.8	108.1	108.2	108.3	109.0	106.9	4.0
Industrial Commodities	100.0	102.6	106.9	107.1	107.4	108.1	106.1	3.6

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

ANNUAL GROWTH OF PAPER/PAPERBOARD CAPACITY
(000 short tons)

	Capacity	Annual Growth
1980	66,368	2.7%
1981	68,172	2.7
1982	70,086	2.8
1983	71,126	1.5
1984	73,098	2.8
1985	74,301	1.6
1986	75,777	2.0
1987	78,186	3.2
1988(E)	80,315	2.7
1989(P)	82,568	2.8
1990(P)	85,427	3.5
1991(P)	88,564	3.7

E = Estimate
P = Projection

Source: API Capacity Survey,
December 1988

As a result of these growth patterns, Japan's share of total U.S. shipments of chemical paper grade market pulp rose from 11.3% in 1987 to 13.6% last year, while Western Europe's share edged down from 25.0% to 24.0%. In 1988, 40.7% of total U.S. chemical paper grade market pulp shipments went to domestic customers, down slightly from 1987's 41.1%.

Producers inventories of chemical paper grade market pulp trended downward during the first half of 1988, but then rose from June to November to a high of 17 days of supply. However, by year's end they measured 13 days of supply (254,000 tons), only slightly higher than the 12 days of supply (225,000 tons) on hand at the end of 1987. By contrast, inventories of purchased paper grade pulp held by U.S. consumers rose from 32 days of supply at the end of 1987 to 37 days at the end of November 1988.

Total North American and Nordic producers inventories of chemical paper grade market pulp also declined from 17 days of supply at the end of November to 13 days at the end of December, representing the lowest tonnage level since December 1979.

Capacity utilization rates for U. S. chemical paper grade market pulp averaged 96% for 1987 and 95% for 1988. These utilization rates are lower than previously reported, reflecting upward revisions in chemical paper grade pulp capacity reported in the API's December 1988 Capacity Survey.

PAPER CAPACITY EXPANSION PLANS

U.S. capacity to produce paper and paperboard is slated to grow at an average annual rate of 3.3% during the 1989-91 period, according to the American Paper Institute's 31st annual Capacity Survey. (See table on page 10.) The individual year gains are reported at 2.8% for 1989, 3.5% for 1990, and 3.7% for 1991.

The anticipated capacity increases for the 1989-91 period are somewhat above average growth in capacity for the previous ten years. Total paper and paperboard capacity increased at a 2.4% average annual rate from 1979 through 1988 -- in keeping with the industry's growth performance. Paper and paperboard production advanced at an average annual rate of 2.9% a year since 1980. Moreover, operating rates for the paper industry averaged approximately 96% of capacity in 1988.

Paper capacity is projected to grow at an average rate of 3.5% a year in the 1989-91 period. Paper production grew at an average annual rate of 3.1% between 1980 and 1988, bringing operating rates for that sector of the industry to 96% in 1988. The largest capacity increases in the paper sector will be in newsprint (5.2% a year, 1989-91), followed by the printing-writing paper grades (3.9%) and tissue papers (2.7%).

Continued on Page 12

In contrast to the declines evident in recent years, U.S. capacity to produce packaging and industrial converting papers will edge up 0.8% a year in the 1989-91 period.

Paperboard capacity is projected to grow at an average rate of 3.1% a year in this period. Paperboard production has advanced at an average rate of 2.6% a year since 1980; operating rates for this sector of the industry averaged 95% last year.

The strongest paperboard capacity growth in the 1988-1991 period is expected in unbleached kraft (3.9% a year) and semichemical paperboard (3.2%). These growth rates are brisk by the standards of the past ten years and reflect strong domestic demand for shipping containers as well as healthy exports of linerboard.

Bleached board capacity is projected to grow 2.1% a year (1989-91), versus 1.1% in the ten-year period from 1979 to 1988.

Capacity increases for recycled paperboard are projected to average 1.8% in the 1989-91 period. Although that growth rate is slower than for the other paperboard grades, it nevertheless is well above the 0.9% average annual rate of increase registered by recycled paperboard capacity in the 1979-88 period. Production of recycled paperboard showed little change from 1979 to 1985, but grew at an average rate of 5.4% a year in the 1986-1988 period.

The industry plans to expand total wood pulp capacity at an average rate of 2.6% a year during the 1989-1991 period. The slower growth of wood pulp capacity in relationship to that of paper and paperboard is consistent with the industry's plans to significantly increase consumption of recyclable papers. Specifically, consumption of recyclable paper as a share of total fiber is projected to increase from 24.7% in 1988 to 25.6% in 1991.

Copies of the Survey have been sent to API member companies. Copies of the Capacity Survey are available to non-members for $300 each, domestically, and $325, overseas, from the Capacity Department, Box SM, American Paper Institute, 260 Madison Avenue, New York, NY, 10016.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

January 23, 1989

PRODUCTION (000 TONS)

	(P) DECEMBER 1988	NOVEMBER 1988	DECEMBER 1987	FIRST 12 MONTHS 1988	1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	512	493	499	5,982	5,842	2.4
Printing & Writing	1,794	1,788	1,781	21,858	20,780	5.2
Uncoated Groundwood (s)	122	130	111	1,598	1,485	7.6
Coated Paper (s)	583	606	588	7,371	6,860	7.5
Uncoated Free Sheet Paper (s)	958	922	958	11,356	10,977	3.5
Thin Paper (s)	21	21	23	229	251	-8.7
Cotton Fiber Paper (s)	14	13	12	163	163	0.2
Bleached Bristols (s)	97	97	89	1,141	1,044	9.2
Tissue Paper	458	449	449	5,480	5,301	3.4
Total Pkg & Other Paper	421	439	432	5,198	5,072	2.5
Unbl. Kraft Paper (s)	256	254	261	3,037	3,079	-1.4
Other Paper	165	185	171	2,162	1,993	8.5
TOTAL PAPER	3,177	3,169	3,162	38,519	36,394	4.1
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,635	1,508	1,640	19,268	18,913	1.9
Unbleached Kraft Linerboard	1,526	1,412	1,529	17,996	17,682	1.8
Other Unbl. Kraft Paperboard	110	97	110	1,272	1,232	3.2
Semichemical Paperboard	479	475	450	5,708	5,600	1.9
Bleached Paperboard	381	361	393	4,483	4,420	1.4
Recycled Paperboard	663	714	685	8,771	8,506	3.1
TOTAL PAPERBOARD	3,157	3,058	3,168	38,230	37,439	2.1
TOTAL PAPER AND PAPERBOARD	6,334	6,227	6,330	76,748	74,433	3.1

WOOD PULP (ALL GRADES)	NOVEMBER 1988	OCTOBER 1988	NOVEMBER 1987	FIRST 11 MONTHS 1988	1987	% Change 88/87
Dissolving & Special Alpha	112	99	137	1,240	1,203	3.1
Bleached Sulfite)	127	137	120	1,418	1,319	7.5
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,169	2,155	2,015	23,980	23,174	3.5
Unbleached Sulfate	1,711	1,808	1,716	19,843	19,573	1.4
Semichemical	359	367	352	3,973	3,906	1.7
Groundwood & Thermomechanical	489	513	471	5,458	5,218	4.6
TOTAL PULP DIVISION DATA	4,967	5,078	4,810	55,911	54,392	2.8

(s) - Shipments
P - Preliminary

JANUARY 31, 1989

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	October	November	December	1988	
Total Production (API).....: excluding :...	70,889	74,433	6,467	6,227	6,334	76,748	3.1
Total Seasonally Adjusted.....construction:...			6,386	6,355	6,324	76,714	3.0
Imports (including Products).: and wet :..E	11,597	12,454	1,044	1,048	1,068	12,827	3.0
Exports (including Products).: machine :..E	4,593	5,197	426	440	452	5,627	8.3
Apparent Consumption.....: grades :...	77,893 a	81,690 b	7,005	6,963	6,940	83,914 c	2.7
Paper Production % Tonnage Capacity.....	93.2 g	94.0	95.1	94.8	91.7	95.6	-
Paperboard Production % Tonnage Capacity.....	94.3 g	96.8	95.5	93.4	93.2	96.7	-
			September	October	November		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,142	1,077	1,081	13,160	2.2
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	520	437	450	5,778	9.5
			September	October	November		
MARKET WOOD PULP PRODUCTION - Tons (000).....	7,572	8,114	727	646	684	8,391	4.0
TOTAL WOOD PULP PRODUCTION - Tons (000).....	57,005	59,552	5,006	5,078	4,967	60,994	2.8
WOOD PULP IMPORTS - TONS (000).....	4,582	4,850	379	436	425	5,044	4.2
WOOD PULP EXPORTS - TONS (000).....	4,458	4,889	518	421	428	5,406	13.6
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			September	October	November		
Wood Pulp.....:consumption for:.....	57,061	59,475	4,927	5,158	4,956	60,342	2.6
Waste Paper.....:construction & :.....	17,285	18,296	1,553	1,681	1,569	18,930	3.3
TOTAL.....: WMB grades :.....	74,345	77,770	6,480	6,759	6,525	79,272	2.0
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,956	7,908	7,887	95,235	1.8
EMPLOYMENT (000)			October	November	December		
Paper and Allied Products.....Total.....	673.7	679.8	692.2	693.2	698.7	689.1	1.5
Pulp, Paper and Board Mills.....Total.....E	248.1	244.9	243.7	244.1	243.8	245.4	0.2
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			October	November	December		
Paper and Allied Products.....	11.18	11.42	11.67	11.70	11.78	11.54	1.9
Pulp, Paper Mills.....E	13.63	14.00	14.41	14.48	14.55	14.29	2.1
Paperboard Mills.....E	13.98	14.30	14.58	14.59	14.62	14.48	1.1
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q2	1988 Q3	1988 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bil.$)*	8.77	9.81	11.89	11.17	12.29	11.17 Y	24.8
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			October	November	December		
:IN PULP, PAPER :...Production Workers.....	131.2	140.1	144.9	144.4	144.9	144.8	3.4
:AND BOARD MILLS:...All Employees.....	128.4	136.7	141.8	140.9	141.7	141.4	3.4
PAPER AND ALLIED PRODUCTS (Million $)			September	October	November		
Industry Shipments (Dept. of Commerce)*.....	103 [illegible]	110,855	10,550	10,669	10,793	127,392	7.9
Pulp, Paper and Paperboard*.....	44,[illegible]3	51,516	4,711	4,761	4,850	57,134	12.8
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,775	11,835	11,901	11,901	8.2
Pulp, Paper and Paperboard*.....	4,115	4,266	4,185	4,196	4,217	4,217	1.5
			1988 Q1	1988 Q2	1988 Q3		
Sales (Corporations Only).....	74,844	95,576 RS	25,524	27,227	27,344	106,767	13.6
Earnings (Corporations Only).....	3,280	5,520 RS	1,744	2,135	2,227	8,221	53.2
Depreciation (Corporations Only).....	3,389	4,279 RS	1,169	1,124	1,162	4,607	7.8
Net Worth (Corporations Only).....	31,221	39,217 RS	40,312	41,621	42,315	42,315	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			October	November	December		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	129.2	126.2	128.5	124.7	9.1
Wood Pulp.....	94.7	111.6	145.2	145.2	145.2	136.7	22.5
Waste Paper.....	142.6	181.4	179.2	163.8	158.9	183.5	1.1
Paper.....	107.8	111.5	127.8	127.5	127.7	123.2	10.5
Paperboard.....	106.5	118.1	136.5	136.5	136.5	133.2	12.8
PAPER DEMAND (INDEXED: 1977=100)			October	November	December		
Total Paper Production *.....	128.8	133.8	138.6	140.8	138.4	139.8	3.9
Paper New Supply *.....	133.7	140.6	143.4	144.6	144.1	145.8	3.1
Demand Indicators - (Weighted Average) *.....	146.4	154.5	167.8	166.2	166.5	163.5	5.8
Production of Nondurable Goods *...(21.2%)	130.1	136.8	146.6	146.7	147.1	143.9	5.2
Disposable Income .....*.(23.9%)	127.8	130.8	137.2	136.6	137.5	135.8	3.8
Total Printing and Publishing *...(54.9%)	160.9	172.8	187.8	186.7	186.7	183.5	6.7
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	121.9	129.1	132.1	129.4	129.7	131.9	2.2
Production for Domestic Use	118.7	126.5	129.6	128.9	126.3	129.2	2.2
Demand Indicators - (Weighted Average) *.....	121.9	125.9	135.8	135.2	135.7	132.5	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	136.7	136.5	137.2	133.8	4.8
Production of Equipment *...(5.75%)	143.7	148.8	159.5	159.8	159.8	158.1	6.2
Production of Materials *...(32.19%)	113.8	118.3	127.4	128.3	128.6	125.3	5.9
Trend Factor			Not Available				
NEWSPRINT MARKETS			September	October	November		
Consumption by Publishers - Tons (000).....	13,158	13,583	1,154	1,254	1,224	13,609	3.4
Newspaper Pub. and Printing Empl. Total(000)...	461	471	477	480	482	477	1.6
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	154,317	163,361	16,102	17,264	17,824	165,587	3.8
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,689	4,625	4,655	52,485	18.7
Inventories (End of Period).	3,577	3,850	4,236	4,401	4,433	4,433	18.2
FIBRE BOX DATA (Fibre Box Association)			October	November	December		
Fibre Box Shipments (Million square feet).....	283,921	297,827	27,306	24,357	23,467	307,457	3.2
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,519	2,489	2,551	2,551	2.6
RETAIL TRADE (Billion $)			October	November	December		
Total Retail Sales *.....	1,437	1,509	137	138	138	1,605	6.4
Nondurable Goods Stores Sales *.....	899	951	85	86	86	998	5.3
GENERAL ECONOMIC DATA			October	November	December		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	139.3	139.8	140.2	137.2	5.7
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.3	108.2	108.3	109.8	106.9	4.3
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	120.2	120.3	120.6	118.3	4.1
			September	October	November		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	658.4	661.2	665.5	665.5	8.7
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billions$)..			1988 Q2	1988 Q3	1988 Q4		
G.N.P. or Expenditure - Current $.....	4,240	4,527	4,324	4,389	4,390	4,862	7.4
G.N.P. or Expenditure - 1982 $.....	3,722	3,847	3,785	4,309	4,329	3,795	3.3

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 645 + 18 = 663 241.6
.b - 670 + 17 = 687 243.9
.c - 684 + 17 = 701 245.5
.E - Last month estimated by API

f - Wood Pulp Production excludes Def., explo. & scrngs.
g - Adjusted for holiday shutdowns
Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.